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January 7, 2003

Office of the Clerk  
United States Bankruptcy Court,  
District of Delaware  
824 Market Street  
Wilmington, DE 19801-3577

**Re: In re: W. R. Grace & Co., et al, Debtors  
Chapter 11  
Case Nos. 01-01139 through 01-1200  
Jointly Administered**

**OBJECTION TO TRANSFER TO LONGACRE  
MASTER FUND, LTD.**

Honorable Clerk:

This firm recently received your notice of December 26, 2002 that Longacre MASTERFUND, LTD had filed a transfer of our claim no. 1655 in the amount of \$28,471.50. This letter serves as our objection to that transfer on the following grounds:

1. We have not agreed to assign our claim to Longacre Masterfund, Ltd (or to anyone else);
2. We entered into negotiations with Longacre Management Fund, L.L.C. but, as shown from the attached e-mail from Longacre dated January 7, 2003, the negotiations failed to result in an agreement.

Sincerely,



CHRISTOPHER P. IEYOUB

**PLAUCHÉ, SMITH & NIESET**

Cc: W.R. Grace Bankruptcy  
Office of the Claims Agent  
P.O. Box 1620  
Faribault, MN 55021-1620  
(via certified mail)

Cc: Christopher Martinez

**Christopher P. leyoub**

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**From:** Peggy Sanders <psanders@woodleywilliams.com>  
**To:** <cleyoub@psnlaw.com>  
**Sent:** Tuesday, January 07, 2003 1:37 PM  
**Subject:** FW: Trade Confirmation and Assignment Agreement

This is e-mail to attach to letter to Clerk of Bankruptcy Court.

-----Original Message-----

**From:** Peggy Sanders [mailto:psanders@woodleywilliams.com]  
**Sent:** Tuesday, January 07, 2003 10:51 AM  
**To:** 'Christopher Martinez'  
**Subject:** RE: Trade Confirmation and Assignment Agreement

Dear Christopher,

The benefit to Plauche of the assignment to Longacre is minimal at best. Longacre must be convinced that the Plauche claim will be paid at a higher rate than 40 cents on the dollar or it would not be purchasing the claim. When this minimal benefit is coupled with the possibility of expensive litigation in New York, etc., the benefit to Plauche evaporates and becomes a potential liability.

The fact that Longacre filed pleadings claiming that the Plauche receivable had been assigned has increased suspicions to the point that further compromise is impossible.

Unless I hear differently from you today, I will assume that the assignment, as currently drafted, is unacceptable to Longacre and that Longacre does not intend to correct its incorrect bankruptcy pleading and will proceed accordingly.

Sincerely,  
Rick J. Norman

1/9/03

RJN/ps

-----Original Message-----

From: Christopher Martinez [mailto:[CMartinez@longacrellc.com](mailto:CMartinez@longacrellc.com)]

Sent: Tuesday, January 07, 2003 9:39 AM

To: [psanders@woodleywilliams.com](mailto:psanders@woodleywilliams.com)

Subject: RE: Trade Confirmation and Assignment Agreement

Well, yes, but we can't agree to the changes as they are. I asked him to try again.

In paragraph 8, the change doesn't seem to be critical, unless there's some specific legal definition that raises a red flag. We're simply asking that you send us any distributions that we're entitled to, should the debtor accidentally make them to you, (a situation that unfortunately occurs from time to time.) We're buying the claim from you on an immediate cash for future distributions basis, so what is the issue?

In paragraph 9, I'll be honest--I don't even know what all that stuff means, but would be happy to get you on the phone with my attorney to discuss it in detail.

In paragraph 11, we are not asking to keep things the way they were originally drafted, rather we do not agree to the venue being arbitration in Atlanta. I have suggested a couple of compromises, and would greatly appreciate you considering them.

We agreed to all of the other changes, and simply ask you to try to compromise on these 3, rather than letting legal language get in the way of an agreement.

Please advise.

Regards,

1/9/03

Christopher

-----Original Message-----

From: Peggy Sanders [<mailto:psanders@woodleywilliams.com>]

Sent: Tuesday, January 07, 2003 10:23 AM

To: Christopher Martinez

Subject: RE: Trade Confirmation and Assignment Agreement

Christopher,

I have spoken to Mr. Norman regarding your e-mail and he has indicated that his clients would not agree to leave in the yellow highlighted areas. He thought his last e-mail indicated that.

Thanks,  
Peggy Sanders

-----Original Message-----

From: Christopher Martinez [<mailto:CMartinez@longacrellc.com>]

Sent: Tuesday, January 07, 2003 8:51 AM

To: [psanders@woodleywilliams.com](mailto:psanders@woodleywilliams.com)

Subject: RE: Trade Confirmation and Assignment Agreement

Peggy,

I don't think we're on the same page here. The version I sent back to you had yellow highlighting over changes that you had made, which my attorney did not accept. These changes seem to have been made again, and accepted. In the phone conversation I had with Rick, I was left with the impression that he was going to work on these changes (in paragraphs, 8, 9, and 11) to either agree to let them go, or to come up with a compromise. I have attached that last draft again for your reference.

Please call me with any questions.

1/9/03

Regards,  
Christopher

-----Original Message-----

From: Peggy Sanders [mailto:[psanders@woodleywilliams.com](mailto:psanders@woodleywilliams.com)]  
Sent: Tuesday, January 07, 2003 9:25 AM  
To: Christopher Martinez  
Subject: RE: Trade Confirmation and Assignment Agreement

Christopher,

The attached version of the documents is redlined, with the most recent revisions on pages 5 and 6. I'm not sure exactly how to blackline the document.

Peggy Sanders,  
Secretary to Rick J. Norman

-----Original Message-----

From: Christopher Martinez [mailto:[CMartinez@longacrellc.com](mailto:CMartinez@longacrellc.com)]  
Sent: Monday, January 06, 2003 2:32 PM  
To: [psanders@woodleywilliams.com](mailto:psanders@woodleywilliams.com)  
Subject: RE: Trade Confirmation and Assignment Agreement

please forward a blackline version that highlights the changes.

-----Original Message-----

From: Peggy Sanders [mailto:[psanders@woodleywilliams.com](mailto:psanders@woodleywilliams.com)]  
Sent: Monday, January 06, 2003 3:19 PM  
To: Christopher Martinez  
Subject: re: Trade Confirmation and Assignment Agreement

1/9/03

Dear Christopher:

Plauche, Smith & Nieset is reluctant to enter into any agreement that may result in their losing more than they are getting. The enclosed document is what they will agree to. If I do not hear today that Longacre will agree, I will proceed accordingly.

Sincerely,  
Rick J. Norman

RJN/ps  
Enclosure

1/9/03